

Government incentive programs for tree-planting or forest management on private lands in Hawaii
October 20, 2006

Adapted from original document March 2005

Katie Friday, United States Department of Agriculture, Forest Service (USDA FS)
 Sheri Mann, Hawaii Dept. Lands & Natural Resources, Division of Forestry and Wildlife (DOFAW)
 Steve Smith, Forestry Management Consultants - Hawaii

- This chart is intended to facilitate comparison of programs and provide contact information. It is neither complete nor authoritative.
- Most cost-share programs **reimburse** landowners for a portion of their costs; payments are limited by (a) percentages or ratio of payment to match, (b) standard rates (caps) for eligible practices, and (c) annual or project total maximums.
- Most programs have guidelines for what can qualify as the “match” for the cost-share; for example, funding from one program usually cannot match funding from another unless funding from one program is non-Federal and funding from another program is Federal.
- Federal and state cost-share payments must be reported in tax returns and may or may not be taxable; search for “Cost-Share” in www.timbertax.org

Program name, Administering agency	Purposes	Land eligibility	Incentive	Time-frame	Other requirements	Contact
Forest Stewardship Program (FSP) DOFAW	Complete range of forest management activities, including plan development	Private and privately leased lands (10-year minimum lease); minimum 5 contiguous acres in FSP project; “non-industrial forest” owners	Up to 50% cost-share, usually limited to \$75,000/year	10 years of cost-sharing with a post 10-year maintenance period. Minimum 30-year contract if timber harvesting is involved	Pre-proposal and land management plan required; Environmental Assessment (EA), CDUP and payback provisions may be required	Sheri Mann (808) 587-4172 www.state.hi.us/dlnr/dofaw/hfsp
Forest Legacy DOFAW (USDA FS funds)	Preclude conversion of forest land to non-forest uses	Private lands, currently forested (partial ok), threatened by development or fragmentation; must fall within “Forest Legacy Area” designated by the State	Federal funds available to purchase up to 75% of federally appraised market value of easement or of fee simple acquisition. Carries potential tax benefits.	Permanent	Requires FSP Plan; may require EA; subject to prioritization at state, regional, and national levels	Sheri Mann (808) 587-4172 http://www.state.hi.us/dlnr/dofaw/Legacy

<p>Natural Areas Partnership (NAP)</p> <p><i>DOFAW</i></p>	<p>Protection, restoration and enhancement of significant native resources or geological features</p>	<p>Private lands with intact native Hawaiian ecosystems, essential habitat for endangered species, and areas within the protective (P) subzone of the Conservation District; applicant may be cooperating entity managing such lands</p>	<p>Up to 67% cost-share</p>	<p>Permanent dedication through transfer of fee title or conservation easement</p>	<p>Development of long-range agreements and management plans; requires EA</p>	<p>Randy Kennedy (808) 587-0054 http://www.state.hi.us/dlnr/dofaw/napp</p>
--	---	--	-----------------------------	--	---	---

Program name, Administering agency	Purposes	Land eligibility	Incentive	Time-frame	Other requirements	Contact
Landowner Incentives Program (LIP) <i>DOFAW (US Fish & Wildlife Service [F&WS] funds)</i>	Enhance, protect, or restore habitats that benefit federally listed, proposed, or candidate species, or other at-risk species	Private and DHHL leasehold lands; applicants may also be groups working with such landowners	Up to 75% cost-share; more funding often available than for PSGP (below)	Measurable results desired within 5 years	Projects cannot be used to fulfill mitigation requirements	Bill Standley (808) 587-4171 http://www.state.hi.us/dlnr/dofaw/LIP/
Private Stewardship Grants Program (PSGP) <i>US F&WS</i>	Enhance, protect, or restore habitats that benefit a target species federally listed, proposed, candidate, or other at-risk species	Private lands; applicants may be groups working with such landowners	Up to 90% cost-share of on-the-ground management	Measurable results desired within 5 years	Projects cannot be used to fulfill mitigation requirements	Craig Rowland (808) 792-9450 http://pacificislands.fws.gov/worg/orghc_psg.html http://endangered.fws.gov/grants/private_stewardship
Partners for Fish & Wildlife <i>US F&WS</i>	(1) Restore natural habitats and provide long-term benefits to threatened and endangered species; or (2) satisfy the needs of wildlife populations on National Wildlife Refuges	Private lands and Hawaiian Homelands	Up to 50% cost-share; technical assistance also provided	10-year minimum commitment	Projects cannot be used to fulfill mitigation requirements	Benton Pang (808) 792-9443 http://pacificislands.fws.gov/worg/orghc_partners.html http://partners.fws.gov/pdfs/05partnersgrants.gov.pdf
Coastal Program <i>US F&WS</i>	Focused efforts in bays, estuaries and watersheds around the U.S. coastlines. The purpose is to conserve fish and wildlife and their habitats to support healthy coastal ecosystems.	Provides funding for 22 high-priority coastal ecosystems. See website for a list of those.			Projects cannot be used to fulfill mitigation requirements	Chris Swenson (808) 792-9458 http://www.fws.gov/coastal/CoastalProgram/
Safe Harbor Agreements (SHA) <i>DOFAW and US F&WS</i>	Proactive natural resource management to benefit endangered and threatened species.	Private and public lands	Provides regulatory assurances that future property-use restrictions will not be imposed	5-15 year commitment	Activities must meet "net conservation benefit" criteria for species	Bill Standley, (808) 587-4171 Arlene Pangelinan, (808) 792-9445 http://www.state.hi.us/dlnr/dofaw/safeharbors http://endangered.fws.gov/recovery/harborqa.pdf

Watershed Partnership Program <i>DOFAW</i>	Cooperative projects that benefit on-the-ground activities protecting land for watershed conservation	Lands within established or forming Watershed Partnerships	No mandatory cost-share requirement, but leveraging funds is encouraged	Year-to-year as funds are available		Christine Ogura (808) 587-0058 http://www.state.hi.us/dlnr/dofaw/wpp
Legacy Land Conservation Fund DOFAW	Provides for the acquisition of lands, including easements	Lands for watershed and habitat protection, parks, coastal area, natural areas, agricultural production, cultural or historical sites, recreation and public hunting	No mandatory cost-share for state agencies and counties. Non-profit require 25% match for funds	Permanent	Intended for state agencies, counties, and non-profit land conservation organizations seeking funding to acquire property	Molly Schmidt (808) 586-0921 http://www.hawaii.gov/dlnr/dofaw/llcp

Program name, Administering agency	Purposes	Land eligibility	Incentive	Time-frame	Other requirements	Contact
Environmental Quality Incentives Program (EQIP) <i>USDA Natural Resources Conservation Service (NRCS)</i>	Priority resource concerns pertinent to forestry include: (1) sedimentation from accelerated erosion; (2) noxious weeds; (3) at-risk species habitat; (4) invasive species	Private or private 5-10+ year lease of private land: cropland, rangeland, pasture, <u>forest</u> , other farm or ranch land (if idle land was cropped within the past 5 years and it will again be cropped within the year, land is eligible)	Up to 75% cost-share	3-year cost-share agreements	Applicants must be persons actively engaged in livestock or agricultural [or forest] production	Shirley Nakamura (808) 541-2600 ext. 112 http://www.hi.nrcs.usda.gov/programs/eqip_and_gswc.html

<p>Farm and Ranchland Protection Program</p> <p><i>USDA NRCS /</i></p>	<p>Purchase easements or other interests in land from landowners to keep productive farm and ranchland in agricultural uses.</p>	<p>Must be part of a pending offer from a State, tribe, or local farmland protection program; be privately owned; have a conservation plan for highly erodible land; be large enough to sustain agricultural production; be accessible to markets for what the land produces; have adequate infrastructure and agricultural support services; and have surrounding parcels of land that can support long-term agricultural production.</p>	<p>Up to 50% cost-share</p>			<p>Paul Scales (808) 541-2600 Ext. 108 Mathew Wung (808) 885-6602 Ext. 106 (Waimea, Hawaii) http://www.nrcs.usda.gov/programs/frpp/</p>
<p>Wildlife Habitat Incentives</p>	<p>Restoration of unique native</p>	<p>Private or leased land;</p>	<p>Up to 75% cost share</p>	<p>5-10-year contract</p>	<p>Primary goal may not be</p>	<p>Gwen Gilbert (808) 541-2600 ext. 122</p>

Program (WHIP) <i>USDA NRCS</i>	habitats, especially for threatened and endangered plant and animal species; priority habitats for Hawaii include native forests.	state and county lands also eligible	Up to 100% cost-share	15-year contract	commercial production	http://www.hi.nrcs.usda.gov/programs/whip.html http://www.nrcs.usda.gov/programs/farmbill/2002/pdf/WHIPFct.pdf
Private Lands Initiative <i>US Army</i>	Help the Army meet Endangered Species Act recovery responsibility and prevent future T&Es listings	Private lands near Army lands	Federal funds available for NGO or state/local agency to purchase a portion of land titles or conservation easements	Permanent	Army may use the land for low-impact training	Cynthia Bauer (410) 436-4988 http://aec.army.mil/usaec/natural/natural03a.html
Urban & Community Forestry (U&CF) Kaulunani <i>DOFAW (USDA FS funds)</i>	Tree-planting in urban and community settings; educational programs; technical tree- care programs; Arbor Day activities	Public lands or private lands with public access	Up to 50% cost-share, maximum usually \$10,000/year		Applicant must be non- profit organizations, tree advocacy groups, civic groups, educational institutions, and local & state government agencies	Teresa Trueman-Madriaga (808) 672-3383 http://www.state.hi.us/dlnr/dofaw/kaulunani

Clean Water Act Section 319 Grants for State Non – Point Source Agencies <i>Dept of Health administers funds via Environmental Protection Agency</i>	Projects focused on reducing non-point source pollution.	State, Private, communities, cities, counties, non-profits, etc.				Hudson Slay (808) 586-4436 http://www.epa.gov/owow/nps/cwact.html
HRS 186 Tree Farm Designation <i>DLNR</i>	Sustained production of forest products in quantity sufficient to establish a business	Private property or lease (minimum 20 years)	“Right to Harvest” law applies		Management Plan approved by DLNR Board	Michael Constantinides (808) 587-4186 http://www.capitol.hawaii.gov/hrscurrent/Vol03_Ch0121-0200D/HRS0186/HRS_0186-0002.htm

Program name, Administering agency	Purposes	Land eligibility	Incentive	Time-frame	Other requirements	Contact
Federal income taxes <i>Internal Revenue Service</i>	Planting for timber production	Private enterprises	Deduction or amortization of planting costs - up to approximately \$10,000	Amortize over 7 years		http://www.fs.fed.us/r8/spf/coop/taxation/ http://www.timbertax.org/
	Timber sales	Private enterprises	Long-term capital gains treatment	Timber held over 1 year	Must establish basis	
Property tax treatment <i>City & County of Honolulu</i>	Tree Farming	Private Property or minimum 20-year lease; minimum 10 acres	Agricultural Property Tax Reduction (1-5% of fair market value, depending upon length of dedication)	1-, 5- or 10-year dedications	HRS 186 Tree Farm Designation (see above)	Real Property Assessment Division (808) 527-5510, -5539 http://www.co.honolulu.hi.us/rpa/chapter_8.pdf Scroll down to page 24 in pdf- “Section 8-7.3 “Dedication of Lands for Agricultural Use”

Agricultural Property Tax Reduction	Commercial tree farms	Private property or lease; minimum 5 years acceptable previous agricultural land use; agricultural condominiums not eligible	Tax assessment 50% of fair market value	20-year dedication; 10-year dedications <u>might</u> be allowed for short-rotation tree farms	Tree farm management plan and other information	Real Property Assessment Division (808) 241-6222 http://www.kauai.hawaii.gov/Default.aspx?tabid=178
Agricultural Property Tax Exemption <i>Kauai County</i>	Tree farms	Private property or lease; minimum 10 acres; land in urban district not eligible	\$25/parcel/year property tax	Harvesting must take place 6-25 years after planting		
Agricultural tax rates <i>Hawaii County</i>	Commercial tree farming ("Fast Rotation Forestry" and "Slow Rotation Forestry")	Private property	Agricultural Property Tax Reduction; rates based on crop and productivity	10 year dedication for private land, 5 year dedication for leased land		Real Property Tax Division – Appraiser (808) 961-8354 http://www.hawaiipropertytax.com Click "Forms & Instructions," then "Miscellaneous," then "Agricultural Use" links
Native forest dedication <i>Hawaii County</i>	Preservation, restoration, and conservation of native forest (defined as at least 25% tree cover and 60% cover of native forest species)	Private property or lease of at least 20 yrs, minimum 3 acres	Low tax assessments, same as for pasture	20 year agreement to use land as native forest	Forest management plan; written affidavit from recognized forestry professional that restoration plan is likely to succeed within the designated time period	Mike McCall, Wes Takai (808) 961-8260 http://www.hawaiipropertytax.com Click "Forms & Instructions," then "Miscellaneous," then "Native Forest Dedication"
Property tax treatment <i>Maui County</i>	Tree farms (not specifically addressed in Code, but could be considered "crop")	Private property or lease; minimum 5 years' acceptable previous agricultural land use	Tax assessment 50% of fair market value	20-year dedication; 10-year dedications <u>might</u> be allowed for short-rotation tree farms	Petition Director of Finance	Real Property Tax Division (808) 270-7297 http://ordlink.com/codes/maui/index.htm Scroll down to "Article 7. Valuations," then click "3.48.350 Dedicated Lands" links

In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race,

color, national origin, sex, age, or disability. (Not all prohibited bases apply to all programs.)

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.